UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

SECOND COMMITTEE
32nd meeting
held on
Tuesday, 14 November 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 32nd MEETING

Chairman: Mr. MURPHY (Ireland)
(Vice-Chairman)

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Distr. GENERAL
A/C.2/50/SR.32
19 December 1995
ENGLISH
ORIGINAL: SPANISH

95-82248 (E)

The meeting was called to order at 3.10 p.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

Draft resolution A/C.2/50/L.13

1. Miss WAFIK (Egypt), speaking on behalf of the Group of Arab States, introduced draft resolution A/C.2/50/L.13 on the economic and social repercussions of the Israeli settlements on the Palestinian people in the Palestinian territory, including Jerusalem, occupied since 1967, and on the Arab population of the occupied Syrian Golan.

Draft resolution A/C.2/50/L.14

2. Mr. CABACTULAN (Philippines), speaking on behalf of the Group of 77 and of China, introduced draft resolution A/C.2/50/L.14 on communication for development.

AGENDA ITEM 94: MACROECONOMIC POLICY QUESTIONS (continued)

(a) FINANCING OF DEVELOPMENT (continued)

3. Mr. CABACTULAN (Philippines), speaking on behalf of the Group of 77 and of China, introduced draft resolution A/C.2/50/L.15 on sources for the financing of development.

AGENDA ITEM 101: INTERNATIONAL MIGRATION AND DEVELOPMENT, INCLUDING THE CONVENING OF A UNITED NATIONS CONFERENCE ON INTERNATIONAL MIGRATION AND DEVELOPMENT (continued)

4. Mr. CABACTULAN (Philippines), speaking on behalf of the Group of 77 and of China, introduced draft resolution A/C.2/50/L.12 on international migration and development and amended it orally.

AGENDA ITEM 95: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/50/123-S/1995/228, A/50/254-S/1995/201, A/50/255-S/1995/504, A/50/400, A/50/407, A/50/425-S/1995/787, A/50/466-S/1995/817, A/50/475, A/50/487 and A/50/518)

(a) TRADE AND DEVELOPMENT (continued) (A/50/15 (vol. I), A/50/15 (vol. II), A/50/15 (vol. III), A/50/15 (vol. IV), A/50/215-S/1995/475, A/50/341, A/50/439, A/50/486 and A/50/740)

(d) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued) (A/50/125-E/1995/19, A/50/125/Add.1-E/1995/19/Add.1 and A/50/649)

(e) IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s (continued) (A/50/745 and A/50/746)

5. Mr. GARCIA (European Commission), after pointing out that the liberalization of trade had led to a significant increase in the participation of developing countries, said that full implementation of the Uruguay Round agreements should be the first trade policy priority for the 1990s. The importance of those agreements lay in the establishment of a firm and secure framework of multilateral rules and disciplines, since the very essence of the multilateral trading system was compliance with such agreed rules. In future, trade disputes should be resolved within the framework of the reinforced dispute settlement mechanism of the World Trade Organization (WTO).

6. The ministerial conference to be held in Singapore in December 1996 should be a clear reaffirmation of the political commitment to a strengthened multilateral trading system and should agree to an ambitious forward-looking agenda of multilateral trade liberalization. New issues in international trade relations should be addressed on the basis of multilateral approaches, rejecting all forms of protectionism. The conference should also lead to concrete progress concerning the relationship between trade and the environment, based upon the work already carried out in the WTO Trade and Environment Committee. That would be a fitting contribution by WTO to the implementation of Agenda 21 and to the work of the Commission on Sustainable Development.

7. In implementing the Uruguay Round agreements, the least developed countries, and in particular the African countries, must be made to benefit fully from increased trade opportunities. To that end, the Marrakesh ministerial decisions concerning the least developed countries should be implemented. The European Union, which was the least developed countries' largest trading partner and provided about 60 per cent of their preferential export markets, reaffirmed its full commitment to that objective. As part of the mid-term review of the Lomé Convention, important improvements had been introduced in its trade provisions which would give virtually all products from Africa, the Caribbean and the Pacific preferential access to the European Union market for that entire year. Under the new Generalized System of Preferences (GSP) scheme introduced in January 1995, the least developed countries in Asia would continue to benefit from special preferences like total exemption from customs duties for industrial products and for a wider range of agricultural products. However, it was important to bear in mind that preferential treatment did not offer a long-term solution to the problem of loss of export market share by the least developed countries. What was needed were domestic reforms to enhance export competitiveness through stable macroeconomic policies, an open framework for trade and investment which emphasized the role of the private sector, and the necessary improvements in infrastructure. The European Union was ready to support such domestic reforms and to provide technical assistance in the area of trade development.

8. In recent years there had been an intensification of regional economic integration. Such regional economic agreements, provided that they were outward-oriented and supportive of the multilateral trading system, greatly contributed to the expansion of global trade and were enhancing growth and development possibilities. The European Union was ready to support the economic

integration which was taking place in many regions of the developing world, at a time when new opportunities were being created for enhancing cooperation among different regional organizations, as evidenced by the recent agreement signed between the European Union and the Common Market of the Southern Cone (MERCOSUR).

9. The United Nations Conference on Trade and Development (UNCTAD), which would be held in South Africa in 1996 with the key theme of how to promote growth and sustainable development in a globalizing and liberalizing world economy, should promote both international trade as an instrument for development, and the competitivity and development of enterprises. In considering such issues, the ninth session of UNCTAD could make a major contribution to the new, integrated approach to development by identifying the key challenges and opportunities raised by the process of globalization. It should also provide an opportunity to consider the future role of UNCTAD and the institutional implications of that role so as to enhance its effectiveness as an instrument for the promotion of development. In addition, the European Union was convinced of the importance of the role of UNCTAD in considering trade issues from a development perspective, in facilitating the participation of developing countries in international trade and in the increasing attention paid to the needs of the least developed countries. Those functions were to some extent broader in scope than those of WTO. It was however important to clarify the role of UNCTAD in relation to WTO, the Department of Economic and Social Information and Policy Analysis (DESIPA) and the Department of Policy Coordination and Sustainable Development, so as to ensure complementarity and avoid duplication.

10. Mr. KADRAKOUNOV (Kyrgyzstan) said that the five Republics of Central Asia had met for the first time in June 1995, in order to seek solutions to their common problems. At that conference they had discussed issues relating to the environment and preparation of responses to natural disasters, with particular emphasis on problems relating to irrigation and potential landslides. It had been decided that an environmental programme would be drawn up, and rules and standards would be established regarding joint use of water resources. An inter-State regional centre on seismology would also be established.

11. The main requests expressed during the conference were for: support for the recommendation of the Kyrgyz Republic's president that the conference be known as the Central Asian Republics' Standing Conference on Sustainable Development, to be held annually in rotation in each of the participating States; assistance from the United Nations Development Programme (UNDP) in drawing up an agreed plan of action for presentation at the next conference, detailing the initiatives to be taken in the areas considered by the Republics to be of prime concern; and creation of conditions for further advancement of the economic integration of the Central Asian Republics, and for analysing legislation and current normative documents and drawing up recommendations for their further harmonization.

12. The five Republics had expressed a special need for assistance in identifying joint measures on drug control and support for the corresponding regional programme, as well as for establishing a working group for monitoring and implementing the programme, assisted by international organizations.

13. In connection with economic development, Kazakstan, Kyrgyzstan and Uzbekistan had recently set up the Executive Committee of the Inter-State Council to form a unified economic area in the region; subsequently, the five States had signed the Issyk-Kul Declaration, which recognized the need to create a regional mechanism to facilitate trade and transit and to further the process of liberalizing the domestic currency markets. Assistance by UNCTAD would be helpful in preparing a regional agreement on trade and transit.

14. His delegation agreed with other delegations that the United Nations system should be involved in preparing, coordinating and implementing structural assistance schemes. Another important development was the trend of enhancing the cooperation between Bretton Woods institutions and other organizations of the United Nations system, particularly in the areas of social development, environment and poverty elimination.

15. Finally, his delegation welcomed the Japanese Government's proposal that a fund should be established within the United Nations Development Programme (UNDP) to finance technical cooperation between developing countries.

16. Mrs. SANTANA (Venezuela) fully supported the statements made by the representative of the Philippines on behalf of the Group of 77 and China, and drew attention to the spirit of collaboration existing between the secretariats of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization. A link was required between the latter and the United Nations bodies for the purpose of analysing new issues relating to trade and environment.

17. Venezuela attached particular importance to trade and development and their connection with the environment, and reaffirmed that a balanced and integrated approach should be adopted in those spheres. In July 1995, a national seminar had been held in Caracas on trade and environment, with the participation of representatives of UNCTAD, WTO, the Latin American Economic System and the Organisation for Economic Cooperation and Development (OECD). During the course of the seminar, it had become apparent that the subject of trade and environment should be integrated in the policies and programmes of multilateral financial institutions with a view to obtaining funding for the promotion of sectoral studies to harmonize national policies in developing countries.

18. She commended the progress achieved by UNCTAD in establishing an open, safe and fair multilateral trade system. Her delegation was concerned, however, by the environment-related arguments which were frequently used to defend strictly commercial or protectionist interests which hampered the normal development of international trade relations. Such a situation justified a rigorous analysis in order to differentiate between genuinely environmental precepts and standards, and protectionist pretexts. An analysis should also be made of the impact on developing countries of applying restrictive, unilateral trade measures, using as a basis the studies conducted by the UNCTAD Ad Hoc Working Group on Trade, Environment and Development and the results of meetings of the WTO Trade and Environment Committee.

19. Mr. U ZAW WYNN (Myanmar) said that he attached considerable importance to the full observance of the commitment recently assumed by Member States

regarding application of the Programme of Action for the Least Developed Countries for the 1990s, on the occasion of the high-level intergovernmental meeting to conduct a mid-term global review.

20. In accordance with the fundamental principle that the least developed countries are primarily responsible for formulating and implementing growth and development policies, the Government of Myanmar had introduced far-reaching economic reforms, replacing the centrally planned socialist system with a market-oriented economic system, and a series of follow-up economic measures including reversal of price controls and subsidies, liberalization of domestic and foreign trade, reduction in the general level of taxation and opening up of border trade with neighbouring countries.

21. A Privatization Commission had been created to enhance efficiency by encouraging competition and by strengthening the role of the private sector. Necessary reforms had also been initiated in the nation's capital infrastructure and an investment and commercial bank had been established which, together with other private banks and branch offices of foreign banks, would contribute to promoting a capital market and comprehensive insurance services.

22. Such reform measures had resulted in a reversal of the declining trend in the country's economy within a period of two years. By concentrating on the production sectors and promoting tourism, the modest growth rate of 3.7 per cent achieved in 1989-1990 had increased to a satisfactory 6.8 per cent in 1994-1995. Obviously, economic and social reforms introduced by the least developed countries would be achieved more rapidly with appropriate foreign financing. Robust growth and sustained development in those countries, allowing them to absorb more goods and services as well as investment, would naturally have a positive impact on the long-term interests of the international community.

23. Mr. MOJOUKHOV (Belarus) said that the international activities connected with scientific and technological exchanges were among the most important elements of the world economy and should receive special attention during the forthcoming ninth session of UNCTAD. Like other countries in the region whose economies were undergoing transition, Belarus faced two major problems: firstly, the need to extend its participation in the multilateral trade system and engage in exchange of technologies and information, and, secondly, the need to maintain its national capacities in science and education, both to be achieved within the framework of a restructuring of international cooperation.

24. Belarus was devoting particular attention to developing its transport, communications and information infrastructures. By reforming its economy, it could become a major link in an integrated European economy and in the promotion of similar processes in neighbouring States. However, such endeavours were hampered by unfavourable external and internal factors. Although its markets were open to imports and services from new and traditional partners, and radical measures had been adopted to improve the balance of trade imports had been affected by the external debt, while external demand had been undermined by the stringent measures contained in the stabilization programme.

25. Belarus had had to devote one fifth of its annual budget to activities under the recovery programme implemented after the Chernobyl accident and had

also had disarmament obligations to fulfil. Because of such considerations, adverse external economic circumstances and the lack of competitiveness of its industries, Belarus was taking steps to forge trade links with public and non-public entities with a view to engaging in commercial, economic and macroeconomic investment cooperation. The possibility of using those integration links to serve the interests of countries of the third world and of other geographic regions was also being contemplated.

26. Belarus was particularly interested in developing economic relations with the European Union and to that end wished to conclude a cooperation agreement as soon as possible and sign a trade agreement in the very near future. It also wished to extend the date of delivery of textiles from Belarus to the countries of Western Europe.

27. The Government of Belarus was willing to cooperate at the State and company levels, in scientific organizations and in the areas of production, export and import, shipment of goods, specialized knowledge and training. It was also willing to develop such cooperation both bilaterally and within international organizations such as the United Nations, the United Nations Industrial Development Organization (UNIDO), the Commission on Science and Technology for Development and the Commission on Sustainable Development.

28. With regard to the activities of the Commission on Science and Technology for Development of the United Nations Conference on Trade and Development (UNCTAD), Belarus wished to be included among the model countries and proposed that it should be selected as a base country in transition for activities under the programme of work for the inter-sessional period 1995-1997 on information technologies and their impact on science and technology.

29. The Government of Belarus wished to step up its action on behalf of sustainable development and proposed that account should be taken of its initiative, approved at the first session of the Commission on Sustainable Development, for the convening of a world conference on the sustainable development of the countries in transition to be attended by all interested States.

30. Mr. THANARAJASINGHAM (Malaysia), speaking on behalf of the countries of the Association of South-East Asian Nations (ASEAN), said that international trade had contributed significantly to the progress of the ASEAN countries. The export-led growth strategy coupled with sound domestic macroeconomic management and political stability had contributed to sustained economic growth and expansion in trade in most ASEAN countries. In 1993, exports had totalled $204 billion, or 5.5 per cent of global exports, while imports had amounted to $224 billion, or 5.9 per cent of global imports. An average real growth rate in gross domestic product (GDP) of 7.4 per cent had been recorded in 1994, making the ASEAN countries one of the fastest growing regions in the world.

31. The ASEAN Free Trade Area (AFTA), which sought to promote growth and development in the region, had been given further momentum when the ASEAN economic ministers, meeting in September 1995, had agreed that the Free Trade Area should be implemented five years sooner than planned, namely by

1 January 2003. They had also agreed to expand the scope of AFTA to include agriculture and intellectual property rights.

32. Although intraregional trade had increased in recent years, it still constituted a small proportion of total trade. Most trade was conducted with other regions of the world, including the major industrial countries. ASEAN was therefore committed to a predictable, equitable, non-discriminatory and secure multilateral trading system. It supported the Uruguay Round agreements and the work of the World Trade Organization (WTO), firmly believing that WTO should be governed by the principles of universality and equity and run in a participatory and transparent way.

33. ASEAN welcomed the convening of the first ministerial conference of WTO in Singapore in 1996, which should focus on enhancing the implementation of the Uruguay Round agreements and seek to resolve difficulties in their implementation encountered by developing countries.

34. It was a matter of concern that some developed countries continued to impose unilateral protectionist measures and to create new types of protectionism, such as environmental labelling and social clauses, that would have an adverse impact on economic growth and development in the developing countries. Any linkage between trade and the environment should be based on a sound scientific assessment and on multilaterally agreed principles.

35. ASEAN welcomed the convening of the ninth session of the United Nations Conference on Trade and Development in South Africa in early 1996. UNCTAD could contribute significantly to consensus-building through detailed and consistent analysis of policies and impact assessment with respect to trade and development issues. In addition, the unique role of UNCTAD as a focal point for integrated treatment of development, trade and interrelated issues should be recognized and the Conference should be provided with adequate resources to enable it to discharge its mandate effectively.

36. The ASEAN countries had benefited from sustained growth in foreign direct investment and the expansion of trade and had built up their technological capacity with the help of external resources and expertise. However, far from constituting a closed trading bloc, they supported an open regionalism that facilitated global free trade and were prepared to share their experience in promoting economic growth and development with other developing countries.

37. Mr. ALIPOUR-TEHRANI (Islamic Republic of Iran) said that although almost all industrialized countries had been gradually emerging from the recession during the past three years, the developing countries, with the exception of just a few, were still suffering from chronic inflation, unemployment and low growth.

38. The results of the Uruguay Round and their implications for the developing countries had not yet been assessed. The developing countries had repeatedly voiced concern at the loss of competitiveness as a result of the erosion of the margin of preference. Other sources of concern were tariff escalation, which hampered efforts to diversify their exports, and the unilateral measures taken by major industrial countries, which weakened the position of developing economies in international trade.

39. The Uruguay Round agreements and the institutional setting in which they were applied left room for interpretation and debate. The World Trade Organization and the United Nations system should carefully examine development aspects of those agreements in areas such as agriculture, textiles, investment, intellectual property rights and services for member countries and those seeking accession.

40. One of the most serious risks faced by developing countries in the process of integration into the international trading system was the increase in disguised protectionism. Unless protectionist tendencies were curbed, the integrity and viability of the multilateral trading system introduced by the Uruguay Round would be seriously jeopardized.

41. Furthermore, lack of transparency of environmental protection standards in some industrial countries, together with lack of access for many developing countries to environmentally sound technologies, would certainly result in a substantial increase in their costs of compliance, which was tantamount to a loss of competitiveness or of market access. The application of measures related to processes and production methods by industrial countries for surveillance of commodities from developing countries introduced another type of extraterritorial measure. In view of the foregoing, the role of the United Nations and its bodies was even more crucial in the effort to balance world trade with respect to development policies.

42. Debates on the role of the United Nations in development policies would perhaps reach a climax at the ninth session of UNCTAD, to be held in South Africa. UNCTAD was the primary United Nations forum for the discussion of trade-related development, and its role should become increasingly visible and viable. To that end, the intergovernmental machinery of UNCTAD must be strengthened to make it more efficient in the context of the United Nations system as a whole and allowed to assume a more concrete role in the process of integrating the developing countries into the world economy and the international trading system.

43. With regard to the other issue on the agenda, the specific needs of land-locked and transit developing countries, the Islamic Republic of Iran attached great importance to regional cooperation in Asia and the Pacific. Expansion of land transport linkages in Asia was pivotal to the promotion of economic and social development in the region. In a true spirit of regional cooperation, the Islamic Republic of Iran had been expanding road, rail, air, sea and communications links with the newly independent Central Asian States by investing in multi-billion dollar projects. Those projects not only offered those States closer and cost-effective alternative access routes to the major sea ports on the Persian Gulf but also created a new trade route linking Europe and South-east Asia.

44. The Islamic Republic of Iran had already implemented, through a number of subregional projects and agreements, a considerable number of the recommendations contained in the annex to the report of the Second Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, referred to in document A/50/341.

45. Recognizing the important role UNCTAD played in improving transit transport systems in land-locked and transit developing countries by, inter alia, acting as a catalyst in mobilizing the necessary external resources, his delegation believed that important initiatives and activities of the Economic and Social Commission for Asia and the Pacific (ESCAP) and subregional organizations, such as the Economic Cooperation Organization, should be taken fully into account.

46. His delegation wished to reiterate that, in the case of the Islamic Republic of Iran, all those achievements had been realized solely with limited domestic resources and that the expansion of efforts in that area depended to a great extent on adequate financial and technical support from the donor community and international financial institutions.

47. Mr. MANGOAELA (Lesotho) recalled that his country had had the honour of chairing both the Symposium for Land-locked and Transit Developing Countries and the second Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions which had led to the adoption of a consensus document on a global framework for cooperation on transit transport outlining recommendations for improving transit transport systems in land-locked transit developing countries. All parties concerned should do their best to ensure full implementation of the global framework's provisions.

48. UNCTAD played an important role in mobilizing and coordinating international support to alleviate transit transport problems that confronted land-locked developing countries and continued to make a valuable contribution to improve transit transport systems and services through the provision of technical assistance, inter alia. It was therefore of the utmost importance that increasing resource allocations should be made to UNCTAD so that it could continue to play that role, especially within an environment of economic globalization and increasing economic interdependence.

49. To the extent that its limited resources allowed, Lesotho paid particular attention to the development and strengthening of its transit transport infrastructure. While recognizing its responsibility for improving the socio-economic situation of its people, Lesotho believed that external assistance played an important role as a complement to those initiatives and to all its development efforts. Lesotho remained committed to bilateral regional and subregional cooperation.

50. The Southern African Development Community had made significant improvements to the transit transport infrastructure within the subregion, and steps were being taken through the Southern African Transport and Communications Commission to harmonize and standardize transit transport procedures and policies. Through the implementation of a multi-million dollar highland water project undertaken jointly with South Africa and with substantial financial and technical assistance from the international community, Lesotho had made a substantial improvement to national and international transport networks, and many parts of the country which had long been inaccessible were now easily reached. Meanwhile, a favourable political context for cooperation had made it possible to improve the transport infrastructure connecting Lesotho and South Africa.

51. In an increasingly interdependent world, trade liberalization could only be successful if developing countries were fully integrated in international trade. To that end it was necessary to bear in mind issues of concern to them, namely the burden of debt and debt-servicing, the unfavourable terms of international trade, improved access to modern technologies on concessional terms and the securing of financial resources for development. The World Summit for Social Development had called for international support for the land-locked developing countries in their efforts to implement Summit recommendations. The Movement of Non-aligned Countries had also appealed to the international community to give assistance to those countries. Lesotho was counting on a generous response.

52. Active participation of developing countries, especially land-locked, least developed countries, was vital for the success of the ninth session of UNCTAD. The Conference would require adequate resources to ensure the maximum participation of developing countries. Lesotho had started preparations for its active participation in the UNCTAD session and would welcome assistance from its partners in that regard.

53. The High Level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s had led to the adoption of a declaration and recommendations for enhanced implementation of the Programme. The consensus was that, to date, implementation of the Programme of Action had fallen short of expectations. Lesotho welcomed the international community's reaffirmation of its interest in cooperating to achieve the primary objectives of the Programme of Action and prevent any further deterioration in the economic situation of the least developed countries.

54. In less than five years the international community would meet again in Paris to take stock of the situation of the least developed countries. It should already start considering the kind of progress that could be achieved during the period in question. Lesotho welcomed the many declarations made in support of giving priority attention to the least developed countries and the countries of Africa. However, such pronouncements had yet to be translated into concrete programmes and projects. His delegation looked forward to the implementation of the decisions in favour of the least developed countries taken at the Ministerial Meeting of the Trade Negotiations Committee of the General Agreement on Tariffs and Trade held in Marrakesh, and to the setting up of a "safety net" of measures to cushion those countries from possible adverse affects arising from the implementation of the Uruguay Round agreements.

55. Ms. WONG (Australia) expressed the hope that the outcome of the Uruguay Round, the most ambitious and comprehensive multilateral trade negotiations ever undertaken, would be translated into major net increases in world income, economic growth and employment both in developed and developing countries. To that end it was essential for all participants to honour the commitments they had made.

56. Her delegation wished to reaffirm the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system. The links between such a trading environment and development were clear and had been reaffirmed at the World Summit for Social Development.

57. The ultimate goal of the World Trade Organization (WTO) was consolidation of the process of trade liberalization. International trade was a fundamental element of the future growth and prosperity of the global economy. The economic and social development of individual nations was now an inextricable part of a broader global framework, with all that that entailed in terms of rights and obligations.

58. Australia noted that contact had been initiated between WTO and UNCTAD and hoped that the two organizations would work in close cooperation with regard to policy approaches, research and technical assistance for development. The ninth session of UNCTAD would be an opportunity to strengthen it as an important institution in the new environment created by the establishment of WTO. UNCTAD should become a complementary body to WTO and should play a major role in integrating developing countries into the global market.

59. Mr. LEE (Singapore) said that Singapore's ratio of trade to gross national product (GNP) was the highest in the world and that its dependence on trade had made it particularly aware of the importance of an equitable, orderly and open multilateral trading system. The General Agreement on Tariffs and Trade (GATT) was the closest thing the world had to a universal trade law. WTO, formed under that Agreement, was a formal legal entity whose greatest strength was its power to keep countries from unilaterally erecting trade barriers.

60. Every country wanted access to the world's markets, but at times it might seem easier to close borders to trade rather than face strong competition. When a country raised trade barriers, it could quickly unleash a trade war as other countries retaliated with trade barriers of their own. The existence of a framework for solving trade disputes was critical in order to prevent global economic battles which might even lead to military conflicts. For that reason, it was important that as many countries as possible should accede to WTO.

61. The roles of UNCTAD and WTO were constantly evolving. The secretariats of both organizations could further develop their working relationships and their complementarity. The Ministerial Conference to be held in Singapore should review the implementation of the Uruguay Round agreements, complete the unfinished business of the Marrakesh Ministerial Meeting and examine the issues likely to have an impact on the post-Uruguay Round multilateral trading system.

62. Currently, there was a proliferation of regional trade agreements, which could stimulate the economic growth and development of the member State enhanced competition rather than shielding the region from competition. Simultaneously with that process of regionalization and the resurgence of local political interests, an accelerated process of globalization was taking place, which had important consequences for Governments, companies, communities and consumers and which called for a redefinition of the role of government and of the relationships between countries.

63. In order to deal with the problems raised by globalization, methods, priorities and attitudes would have to be re-examined and changed. Above all, it must be remembered that the development process was gradual, evolutionary and continuous. In reality, the developed and developing worlds were not discrete entities, although discussions within the Second Committee might sometimes seem

to suggest otherwise. The "us-versus-them" syndrome that had long prevailed in Second Committee discussions could only weaken the United Nations as a whole. Trade relations should be based on solidarity and should help to alleviate the suffering of millions of people living in poverty.

64. The economic development of East Asian countries had underscored the importance of trade for economic growth and had demonstrated the advantages of South-South cooperation. All countries, in particular the poorest developing countries and countries with economies in transition, should be integrated into the international economic system. To that end, the highest priority should be given to open regionalism and multilateralism.

65. Mr. DADA (Pakistan) said that 1994 had seen an unprecedented rate of economic growth and that the culmination of the Uruguay Round and the setting up of WTO had reinforced the expectation that the trend would continue. However, a way must be found to ensure that that growth could be sustained and that a larger number of countries could benefit from increased trade opportunities.

66. To that end, it was necessary first to combat new forms of protectionism. The developed countries were seeking to protect inefficient sectors of their economies by restricting imports under pretexts such as the preservation of the environment or the protection of the rights of workers in developing countries. That situation was unacceptable. It was also unacceptable that a cause-and-effect relationship should be established between the labour standards of developing countries and the unemployment rate of developed countries. In fact, limiting the exports of developing countries would have a counter-productive effect on their economies and on their ability to address environmental and labour issues.

67. Moreover, there was a need to consider the possible negative impact of rule-making on new areas of trade, such as services and trade-related intellectual property. Some of the arrangements that had been proposed might prevent developing countries from obtaining know-how and technology at an affordable cost.

68. The Generalized System of Preference (GSP) was being subjected to new conditionalities: the developing countries were being asked to reciprocate for trade openings given by advanced countries. But the developing countries should not be compelled to exceed their limited capacities. Preferential treatment for less developed countries was a recognized principle which should not be threatened.

69. The trend toward the conclusion of regional trade agreements tended to discriminate against countries outside the region. That must not be allowed to happen.

70. The conclusion of the Uruguay Round should not lead people to believe that everything had been accomplished. In Pakistan's case, the tariffs applicable to certain products which were his country's principal exports had been cut by less than one third; in textiles, the waiver from GATT rules had been extended for another 10 years; in agriculture subsidies for production and exports had been approved with the promise of reforms at some vague moment in the future; and the

measures taken in the area of services had had a negative impact on countries with abundant skilled manpower, such as Pakistan.

71. Finally, there was a need to enhance the capacity of Governments to analyse and monitor the increasing complexity of the global trade environment. That required input from institutions that had the requisite expertise, each with a different perspective on economic matters, in order to avoid the danger of using any one paradigm. It was particularly important to strengthen UNCTAD, the only one of those institutions which had been able to predict the financial crisis in Mexico, since it was an invaluable source of analysis on trade issues.

72. In addition to international action, appropriate policies were needed at the national level. Pakistan's experience might be of interest in that regard. The Government of Pakistan had proceeded to deregulate and liberalize the trade and investment sectors. Pakistan had been the first country in the region to open its markets to foreign investment and to protect those investments from expropriation. Incentives to industrial production had also been provided, and financial benefits, such as tax breaks, had been offered for investments in the rural and less developed areas. All of those measures had resulted in a significant increase in exports.

73. Pakistan was fully committed to the establishment of a non-discriminatory global trade regime and to taking measures to ensure greater access of goods and services from other countries to its own markets. It hoped that other countries, especially developed countries, would be guided by the same principles in formulating their own trade policies.

74. Mr. LAING (Belize) said that the unifying principle for several aspects of the agenda item under discussion was non-discrimination, and the strongest basis for non-discrimination was that it had been the most universally followed principle of international economic relations for many centuries. The documents the Committee had before it raised the question whether the principle of equality was applied to all manifestations of economic globalization. Judging from some paragraphs of those documents (paragraph 14 of document A/50/254 for example, and paragraph 42 of the same document, in contrast to paragraph 43), it appeared that in certain circumstances, the principle of non-discrimination might not apply. It was also clear that unbridled monopolistic globalism could not be accepted if it constituted a threat to cultural values, the social order or individual well-being.

75. Traditionally, countries had been permitted to take certain exceptional discriminatory measures despite the general requirement of the application of the principle of non-discrimination. Those had included domestic measures to: (1) regulate business or trade; (2) facilitate frontier traffic, customs unions or free trade areas; (3) protect life or health; (4) protect national treasures or natural resources; and (5) protect public morals or public order. Exceptions had also been made when essential to national security. Although it was normally thought that national security was a serious matter and that States should be able to do as they pleased in that respect, the General Agreement on Tariffs and Trade (GATT) and general international practice had not tolerated far-reaching claims under that heading. While his delegation generally endorsed the report of the Secretary-General on economic measures as a means of political

and economic coercion against developing countries (A/50/439), it did not concur with the view of some of the participants in the expert group meeting mentioned in paragraph 47 that "the application of coercive economic measures cannot be completely excluded in a realistic consideration of international relations" and that decisions to apply coercive economic measures should be adopted on a multilateral basis. In the current era of collective security, the only arbiter was universal authority and the only guide was the law of the Charter of the United Nations.

76. It was possible that long-standing international practice might permit other exceptions to non-discrimination, but if there were any reasonable generalized rationale for those and other exceptions to the application of that principle, it could be the humanitarian universalism norm which was one of the most pervasive aspects of the institutional concerns of the United Nations.

77. Even if it were assumed that globalization was an integral aspect of the normative structure of the established international economic system, the concerns expressed by the Group of 77 and others would seem to require additional antidotes, such as the establishment, for preventative purposes, of sound fiscal and monetary policies and early-warning systems, or normative counter-weights. Members of the Committee would recall the difficult discussions which had taken place at recent major multilateral trade and economic negotiations on measures to preserve cultural industries and the provisions made in some documents, such as those of the Copenhagen Summit, requiring that liberalized and multifaceted economic actions, including structural adjustment, should be tempered by prudent considerations which reflected the concern to minimize the harm which could be caused to the populations to which they would be applied.

78. Globalization certainly presented a challenge to the conceptual and creative abilities of countries, and might prove to be a boon. However, it was also possible that it might have some negative aspects which would conflict with such essential values as equality and the benign populism inherent in the self-determination and democracy which had guided the United Nations for so long. If that were the case, the antidotes and normative counterweights to which he had referred would have to be developed into full-blown exceptions to formal equality and that would lead to new cases of permitted discrimination. His delegation therefore recommended that the Secretariat should carry out an urgent review of those issues.

79. Mr. Sang-Yoon KIM (Republic of Korea) noted the positive effects of trade: widening of markets, stimulation of innovation and entrepreneurship, increase in productivity, savings and capital accumulation and facilitation of technology transfer. The establishment of the World Trade Organization (WTO) had given momentum to the expansion of trade in goods and services through the strengthening of multilateral trade rules and substantial reductions in tariff and non-tariff barriers. Implementation of the WTO agreements would favour the inauguration of a system of free trade throughout the world which would be in the interest of all countries.

80. At a time when economic interdependence was becoming ever greater, the international community had a responsibility to guarantee a fair distribution of

the benefits derived from trade, and to reaffirm its commitments to assist the least developed countries, which might suffer adverse consequences as a result of the introduction of the Generalized System of Preferences and the growing competition between States. In that regard, UNCTAD had a vital role to play and his delegation hoped that the ninth session of UNCTAD would produce tangible results and adopt concrete actions for developing countries, particularly the least developed countries.

81. The Republic of Korea was ready to participate actively in various forums which would address the issues of the environment, employment, competition and their relationship to trade as well as in the adoption of relevant multilateral measures. However, he noted that in such debates, the economic and social conditions of each country should be taken fully into account and that the measures taken in relation to the new issues should not be used for protectionist purposes.

82. Science and technology were fundamental to the achievement of economic development and sustained competitiveness. However, the process of gaining technological capability was not instantaneous, cost-free or automatic. Accordingly, developed and developing countries must join efforts in order to promote the transfer of technology to developing countries. The international community should continue to help developing countries strengthen and develop their national capacities in the field of science and technology, particularly in the transfer of environmentally sound technology, which should be promoted on concessional and preferential terms in order to facilitate the implementation of Agenda 21.

83. At the High-level Intergovernmental Meeting on the Mid-Term Global Review of the implementation of the Programme of Action for the Least Developed Countries for the 1990s, the international community had had the opportunity to study the results which had been obtained and to confirm its wishes with regard to the implementation of the aforementioned Programme of Action. It was clear that there was still much to be done, particularly with regard to the issues of infrastructure bottlenecks, natural disasters, adverse external conditions, civil strife and policy shortcomings. Under the circumstances, special priority should be given to human resources development, since human capital had become a critical factor in determining the effectiveness and efficiency of the economy. It would therefore be advisable to allocate increased resources to basic educational and vocational training, which were essential elements in promoting the economic development of the least developed countries.

84. In the world of globalization and ever deepening interdependence, the role of a strengthened multilateral regime was becoming increasingly important. His delegation considered that the role of the United Nations should be strengthened and revitalized in order to meet those global challenges and in order to fulfil the responsibilities of the international community.

85. Mr. YAMPOLSKY (Ukraine) said that the conclusion of the Uruguay Round and the trade and development activities carried out by United Nations bodies had highlighted the role of UNCTAD in the establishment of a new world trade order. In that context, it was particularly important to include in the mandate of the Conference the various problems encountered by the countries with economies in

transition. Ukraine was in favour of expanding the technical assistance of UNCTAD to countries wishing to join GATT, mainly by harmonizing the legal bases of those countries, since it would be very important for the stable and foreseeable development of the global economy that those countries accede to GATT or WTO.

86. Ukraine hoped to gain the support of WTO in order to ensure that anti-dumping measures were not applied to it, that the transfer of technology was not limited and that Ukraine was allowed to continue to participate in the Generalized System of Preferences.

87. His delegation supported the inclusion of an item on coordination of activities in science and technology for development in the agenda of the third session of the Commission on Science and Technology for Development (E/1995/31, chap. I, sect. B). Unfortunately the Organization's activities in the area of sustainable development had not made use of new developments in science and technology to promote the sustainable development of countries with economies in transition and of developing countries. On the occasion of the twentieth anniversary of the Vienna Conference on Science and Technology for Development, it was especially important that the Commission on Science and Technology for Development should strengthen its interaction with the Commission on Sustainable Development, the Administrative Committee on Coordination, the regional commissions and the multilateral and bilateral financial institutions.

88. His delegation supported the conclusions of the Secretary-General on endogenous capacity-building in science and technology in the developing countries (A/50/649). In that regard, it was very important that a solution should be found to questions relating to the conversion of military capacity, inasmuch as the resources thus released could be devoted to technical assistance. His Government also had a special interest in the transfer and introduction of new ecologically sound technologies and in the rational use of new and renewable sources of energy. In that regard, his delegation welcomed the draft resolution on science and technology for development, contained in document E/1995/L.59, in which the Economic and Social Council requested United Nations organizations, funds and programmes to foster foreign direct investment from developed to developing countries, as well as to countries with economies in transition. That was an especially significant step since his Government planned to close down the Chernobyl nuclear power plant in the year 2000 with a view to replacing it with a new plant that would be suitable from an ecological standpoint. In that regard, his Government was facing economic and technological problems, and needed support from the international community.

89. His delegation invited international organizations to cooperate with the International Centre for Research on Nuclear Accidents and Radiation, established after the Chernobyl disaster, and provide medical and technical assistance for projects in which Chernobyl could be used as a unique world laboratory.

90. Mr. KEBEDE (Ethiopia) said that, despite the efforts made by the least developed countries to implement wide-ranging social, economic and political reforms in order to accelerate economic growth and long-term development, the expected results had not been attained. Moreover, there had actually been a

period of decline following two decades of stagnation, as noted in the reports of UNCTAD and the Economic Commission for Africa. It had been against that backdrop that the High-level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s had been held. The Meeting had elaborated a broad range of actions aimed at strengthening national policies and external support measures.

91. Serious consideration should be given to measures to strengthen and expand exports from the least developed countries, improve their competitiveness and diversify their exports. For their part, those countries should strive to implement policies that enhanced their capacity to overcome supply-side constraints and diversify and improve their export, processing and production structure. Their effective participation in international trade depended also on the solution of the problems they faced in implementing the complex set of Uruguay Round agreements, for which they would require external support, which should have two objectives: to assist them in offsetting the adverse consequences in the short run and to ensure that they could take full advantage of the special measures accorded to them under the various agreements. It was also necessary to set up a "safety net" that would provide financial and technical assistance with a view to enhancing their capacity to supply tradable goods and services.

92. The dependence of the least developed countries on official development assistance was likely to continue for some time. Consequently, donors needed to implement expeditiously the agreed aid targets, keeping in mind the increased needs of the least developed countries and of new countries included in that category following the Paris Conference. It was also imperative to ensure adequate funding to multilateral institutions and programmes, which were major sources of financing for those countries. Therefore, the replenishment of International Development Association resources, soft-term windows of regional development banks and other grant-based multilateral programmes were of the utmost priority.

93. One of the major factors responsible for the declining economic situation of the least developed countries as a whole was the external debt problem. According to the UNCTAD report on the least developed countries, at the end of 1995, the total debt stock stood at US$ 127 billion, or 76 per cent of the combined GDP of the least developed countries. For most African least developed countries, the size of the debt stock equalled or exceeded their respective GDP. According to issue No. 12 of Third World Network, between 1990 and 1993, the countries of sub-Saharan Africa had paid US$ 13.4 billion annually to external creditors; that amount was more than four times the amount spent by Governments of the region on health and education. Addressing the serious debt problem required the implementation of existing bilateral and multilateral debt-relief measures in a flexible manner, as well as the development and implementation of a comprehensive strategy that dealt with all forms of debt, and in which due consideration should be given to the measures agreed in the World Summit for Social Development.

94. UNCTAD, which was the focal point at the global level for the monitoring, follow-up and review of the implementation of the Programme of Action for the

Least Developed Countries for the 1990s, had the necessary capacity and resources to implement the Programme. Since the Programme had a regional dimension, it would be imperative also to strengthen the capacity of the regional commissions, such as the Economic Commission for Africa, to undertake effective implementation and follow-up of the mid-term review meeting.

95. His delegation was cognizant of the responsibility that each country should assume in the implementation of the Programme, and of the need to create an environment conducive to attracting foreign direct investment, giving priority to the development of human resources and placing greater emphasis on the productive sector. However, the success of national efforts depended in part on exogenous factors that were out of the least developed countries' control. Consistent external support would be required in order to attain the expected results.

96. Mr. HAMID (Sudan) said that, while the question of the least developed countries had been on the United Nations agenda since the first special measures had been introduced at the third session of the United Nations Conference on Trade and Development, held in Santiago in 1972, what had been achieved since then was very marginal compared to the objectives and the commitments undertaken. Probably the only striking development was the fact that the number of least developed countries had doubled.

97. His delegation fully supported the statement by the Chairman of the Group of 77 regarding the Group's position on the outstanding issues pertaining to the Programme of Action for the Least Developed Countries.

98. The economic and social development situation in the least developed countries remained disturbing and deserved greater attention from the international community. More than ever before it was necessary to observe the essence of "partnership" and "interdependence" in international relations with a view to providing substantial support to structural adjustment programmes in the least developed countries on terms adapted to their needs, as well as additional financial assistance to enable them to alleviate poverty, protect the environment and carry out social programmes. Prompt action was also needed in dealing with the persistent debt problem for which the only fair and practical solution seemed to be the implementation of across-the-board debt-cancellation measures. All that had to be complemented by action aimed at improving the terms of trade for the least developed countries, channelling foreign direct investment in a meaningful way and providing financial and technical assistance to develop human resources and build economic and social institutions.

99. The macroeconomic reforms and adjustment programmes of a wide range of least developed countries had not been successful during the first half of the current decade owing to an overall unfavourable external environment. For example, official development assistance to the Sudan, from both bilateral and multilateral sources, had fallen from US$ 700 or 800 million, which the Sudan had received on a regular basis before 1990, to only US$ 29 million in 1994, mainly from the African Development Bank, the Islamic Development Bank and the OPEC Fund for International Development. The World Bank, the European Union and Arab funds had discontinued their development support for various reasons, including non-payment of accumulated arrears. Some bilateral sources had

continued to provide support from committed funds under previous bilateral aid agreements. All bilateral donors had stopped providing new grants to the Sudan since the early 1990s. Moreover, the capital inflow had dropped from a peak of US$ 1.907 billion in 1985 to US$ 127 million in 1993-1994. The case of the Sudan was indicative of the need for the international community to fulfil its commitments to the least developed countries.

The meeting rose at 6 p.m.